(c) the effect it is showing on the economy of the country; and

(d) steps proposed to be taken to curtail the evil?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) As per the study made by National Institute of Public Finance and Policy (NIPFP) in 1983-84, black money (in the sense of tax evaded income) was estimated between Rs. 31584 crores to Rs. 36786 crores.

(b) The reasons behind generation of huge quantity of black money, as identified by NIPFP,
were the high level of taxation, slackness in tax administration, excessive controls on economic activities, general laws and regulations, high inflation rates etc.

(c) In the NIPFP's study some of the eocnomic consequences of black money have been mentioned as mis-information about the actual state of the economy, loss of revenue, adverse implication for resource allocation, income distribution, and monetary policy etc.

(d) The Government have been taking necessary legislative, fiscal and administrative measures, as deemed appropriate, from time to time to curb the growth of black money.

Study by Birla Economic Research Foundation on MODVAT

352. DR. JAGANNATH MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been
drawn to the study entitled 'MODVAT-Some steps toward simplification', conducted by the Birla Economic Research Foundation, which was also published in the Pioneer dated the 15th
January, 1997;

(b) if so, what are the details of the re-commendations made by it; and

(c) the reaction of Govemment in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Yes, Sir. The study has recommended certain measures towards simplification of 'MODVAT scheme. These consist, interalia, of — appointment of a high level Committee headed by an independent person and comprising of members drawn from various sectors of economy with a view to review the scheme, issue of a compendium of Notifications, rules and enactments by the Govemment immediately after Budget, computerisation of assessee's records, abolition of deemed credit/notional credit and availability of Modvat credit to all registered dealers on all inputs, etc.

The Government had already appointed a Committee headed by Dr. Raja Chelliah to go into the structure of indirect taxes of the Central Government. National Institute of Public Finance & Policy, New Delhi had also been asked to study the Modvat scheme and have come up with many suggestions. These have been considered and many of these recommendations have been implemented. Monthly compilation of all Notifcations is being brought out by the Directorate of Public Relations and Publicity under the Central Board of Excise and Customs. Emphasis is also being laid down for computerisation of assessee's records.

Extension of credit to registered dealers is however, not feasible unless Value Added Tax at all levels is introduced. Notional credit and Deemed credirare presently not in force. The Government is thus already seized of the problems relating to the working of MODVAT.

Demand outlined by Bank Employees' Organisations to improve Banking Industry

353. SHRI JALALUDIN ANSARI:

SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Bank Employees' organisations in the country have outlined some demands to improve the banking industry; and

(b) if so, what are these demands and Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Govemment have received a representation from All India